

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 02495 112253Z

20

ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 XMB-02 /059 W

----- 097816

R 111828Z MAR 76

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 738

INFO ALL EC CAPITALS 1827

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

LIMITED OFFICIAL USE EC BRUSSELS 02495

E.O. 11652: N/A

TAGS: EFIN, EEC, ETRD, EXIM

SUBJECT: EXPORT CREDIT UNDERSTANDING --EFFORTS TO RESOLVE ISSUE
OF EC COMPETENCE BOG DOWN

REF: (A) STAATE 56696, (B) EC BRUSSELS 2349

1. SUMMARY: GERMAN AND BRITISH EFFORTS TO REACH A
COMPROMISE OVER THE ISSUE OF EC COMPETENCE IN THE PROPOSED
EXPORT CREDIT UNDERSTANDING HAVE HIT A SNAG. THE COREPER
PLANS TO TAKE UP THIS ISSUE ON MARCH 17 AT WHICH TIME THE
COMMISSION PLANS TO ASSERT AGAIN IT ROLE IN THIS MATTER.
SOURCES HERE SAY AT LEAST SOME OF THE SMALL MEMBER STATES
ARE EXPECTED TO PARTICIPATE IF THE ISSUE OF EC COMPETENCE
CAN BE RESOLVED. END SUMMARY.

2. THE FRG REPRESENTATIVE, WITH SUPPORT FROM THE BRITISH,
PROPOSED A COMPROMISE REGARDING THE ISSUE OF EC COMPETENCE
IN THE PROPOSED UNDERSTANDING. THIS PROPOSAL
WAS TO BE TAKEN UP BY THE COMMITTEE OF PERMANENT
REPRESENTATIVES (COREPER) AT THE DEPUTY LEVEL ON
MARCH 10 BUT AT THE LAST MINUTE IT WAS PUT OFF UNTIL
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 02495 112253Z

THE MARCH 17 COREPER MEETING. THE COMPROMISE

PROPOSED AN EXPERIMENTAL PERIOD FOR THE UNDERSTANDING UNTIL THE SECOND HALF OF 1977, AFTER WHICH AN INTERNATIONAL AGREEMENT WOULD BE CONCLUDED IN ACCORDANCE WITH THE EC TREATY, I.E., ANY EXTENSION OF THE UNDERSTANDING WOULD COME UNDER EC COMPETENCE.

3. COMMISSION OFFICIALS SAY, HOWEVER, THAT THE EC EXPORT CREDIT WORKING GROUP ON MARCH 10-11 SUBSTANTIALLY ALTERED THIS PROPOSAL. IT NO LONGER ESTABLISHES A DATE FOR THE EC TO ASSUME COMPETENCE. COMMISSION OFFICIALS SAY THIS IS NOT ACCEPTABLE AND THEY PLAN TO PROPOSE AMENDMENTS AT THE MARCH 17 COREPER TO SET A DATE OR AT LEAST IN SOME LOOSE FASHION ASSERT SOME DEGREE OF EC INVOLVEMENT IN THE CURRENT PROPOSED UNDERSTANDING. AFTER THE WORKING GROUP DISCUSSION, HOWEVER, COMMISSION OFFICIALS ARE NOT HOPEFUL THESE AMENDMENTS WILL BE ACCEPTABLE. THEY HAVE THE BELGIANS, WOULD PREFER TO SCUTTLE THE UNDERSTANDING RATHER THAN AGREE TO AN EC ROLE, NO MATTER HOW LOOSELY WORDED THIS MIGHT BE. THEY ADD THAT PERHAPS THE FRENCH ARE HAVING SECOND THOUGHTS ABOUT THE UNDERSTANDING AND WOULD LIKE TO USE THE EC AS THE SCAPEGOAT FOR THE BREAKDOWN IN NEGOTIATIONS. IN SUM, COMMISSION OFFICIALS ARE NOT HOPEFUL THAT A SATISFACTORY COMPROMISE CAN BE FOUND.

4. DUTCH AND DANISH PERM DEL OFFICIALS TELL US THAT THEIR GOVERNMENTS ARE STILL CONSIDERING THE US PROPOSED ANNOUNCEMENT. THEY BELIEVE THAT THEIR GOVERNMENTS WOULD GO ALONG WITH IT --EVEN THOUGH THEY ARE IRRITATED OVER BEING PRESENTED WITH A FAIT ACCOMPLI -- PROVIDED THAT THE COMMISSION DOES NOT RAISE OBJECTIONS. COMMISSION OFFICIALS CONTINUE TO INDICATE THAT THEY WILL TAKE THE PROPOSED UNDERSTANDING TO THE EUROPEAN COURT OF JUSTICE SHOULD THE EC BE EXCLUDED. HINTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DIPLOMATIC DISCUSSIONS, EXPORT CONTROLS, TRADE AGREEMENTS, EXPORT CREDIT GUARANTEES
Control Number: n/a
Copy: SINGLE
Draft Date: 11 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ECBRU02495
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760093-1004
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760372/aaaacIng.tel
Line Count: 96
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 EC BRUSSELS 2349
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 31 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 MAR 2004 by MartinML>; APPROVED <01 APR 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXPORT CREDIT UNDERSTANDING --EFFORTS TO RESOLVE ISSUE OF EC COMPETENCE BOG DOWN
TAGS: EFIN, ETRD, EEC, XMB
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006